

REMUNERATION COMMITTEE

Terms of Reference

(Ratified by the Board of Directors, 31 March 2022)

1 NAME OF COMMITTEE

The name of this committee is the Remuneration Committee.

2 COMPOSITION OF THE COMMITTEE

The members of the committee and those who are required to attend are shown below together with their role in the operation of the committee.

Members: full rights

Title	Role in the committee
Chair of the Trust	The Chair of the Trust is the committee chair.
All non-executive directors	Members of the committee.

In attendance: in an advisory capacity

Title	Role in the committee	Attendance guide
Chief Executive	Advice specific to the executive team including but not limited to executive director performance and the structure of the team	Every meeting except for items referring to their pay or performance or where there is a conflict of interest
Director of People and Organisational Development	Advice specific to the executive team including but not limited to workforce procedure and employment legislation	Every meeting except for items referring to their pay or performance or where there is a conflict of interest
Associate Director for Corporate Governance (acting as Trust Board Secretary)	Committee support and advice	Every meeting

In addition to anyone listed above as a member, and at the discretion of the chair of the committee, the committee may request individuals to attend on an ad-hoc basis to provide advice and support for specific items from its work plan.

2.1 Associate Non-executive Directors

Associate Non-executive Directors will be invited to attend Board Sub-committee meetings as part of their induction. They will be in attendance at the meeting, in the capacity of observer only, unless invited to contribute (in exceptional circumstances) by the Chair. This is so the accountability of the substantive members of the committee is maintained.

Associate NEDs will be invited to meetings by the Corporate Governance Team and will be sent copies of the meeting papers.

3 QUORACY

Number: The minimum number of members for a meeting to be quorate is three non-executive directors. Attendees do not count towards quoracy. If the chair is unable to attend the meeting, and if otherwise quorate, the meeting will be chaired by either the Deputy or one of the other non-executive directors.

Deputies: Because this is a committee made up of non-executive directors the appointing of deputies to attend in members' absence (with the exception of the Deputy Chair of the Trust) is not applicable in relation to members not being able to attend.

It may be appropriate for the attendees listed above to nominate a deputy to attend in their absence. A schedule of deputies is attached at appendix 1.

Non-quorate meetings: Non-quorate meetings may go ahead unless the chair decides not to proceed. Any decisions made by the non-quorate meeting must be reviewed at the next quorate meeting.

Alternate chair: the alternate chair will be the Deputy Chair of the Trust unless they are not able to attend, in which case one of the other non-executive directors will chair the meeting.

4 MEETINGS OF THE COMMITTEE

Meetings may be held face-to-face or remotely as is considered appropriate. Remote meetings may involve the use of the telephone and / or electronic conference facilities.

Frequency: The Remuneration Committee will normally meet as required but will in any case meet no fewer than once a year.

Urgent meeting: Any member of the committee member may request an urgent meeting. The chair will normally agree to call an urgent meeting to discuss the specific matter, unless the opportunity exists to discuss the matter in a more expedient manner.

Minutes: The Associate Director for Corporate Governance will take minutes of the meeting.

Draft minutes will be circulated to the chair of the committee no later than two weeks after the meeting. Actions from the meeting will be circulated to relevant members within 10 working days from the day of the committee taking place.

5 AUTHORITY

Establishment: In accordance with the NHS Act 2006 and the Code of Governance (and other statutory guidance) the Board of Directors is required to establish a Remuneration Committee as one of its sub-committees.

Powers: The committee is a non-executive committee of the Board of Directors and has no day-to-day executive powers. However, the committee is authorised by the Board of Directors to act within its Terms of Reference; seek assurance on any activity within the areas of its duties and agree levels of remuneration and other terms and conditions for the Chief Executive and the executive directors.

It is authorised to seek any information or reports it requires from any employee, function, group or committee; and all employees are directed to co-operate with any request made by the committee.

The committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice and to secure the attendance of persons outside the Trust with relevant experience and expertise if it considers this necessary.

Cessation: The Remuneration Committee is a standing committee in that its responsibilities and purpose are not time limited. While the functions of a Remuneration Committee are required by statute the exact format may be changed as a result of its annual review of its effectiveness.

6 ROLE OF THE COMMITTEE

6.1 Purpose of the Committee

The purpose of the Remuneration Committee is to provide the Board of Directors with assurance that executive directors are rewarded appropriately for their contribution; to agree appropriate contractual arrangements and levels of remuneration; and to be assured of the performance of individual executive directors against their agreed objectives, and that plans are in place to address any areas of development.

The committee shall execute its role by providing active and independent challenge and thereby adding to the assurance around the Trust's objectives:

Objective	How the committee will meet this objective
We deliver great care that is high quality and improves lives	The Remuneration Committee will ensure that we are able to attract the right calibre of people as executive directors to provide high quality care

Objective	How the committee will meet this objective
We provide a rewarding and supportive place to work.	The committee will ensure that the executive directors are rewarded appropriately
We use our resources to deliver effective sustainable care	The committee will ensure best use of resources in relation to the reward packages for executive directors

6.2 Guiding principles for members (and attendees) when carrying out the duties of the committee

In carrying out their duties members of the committee and any attendees of the committee must ensure that they act in accordance with the values of the Trust, which are:

- We have integrity
- We are caring
- We keep it simple.

6.3 Duties of the committee

The following shall be those items which will form the duties of the committee:

Contracts and Remuneration

- To set the individual remuneration (including annual pay uplift), allowances and other terms and conditions of office (including termination arrangements) for the Trust's executive directors and Chief Executive, including taking a lead on determining such packages for any new / vacant executive director / chief executive posts.
- Consult the Chief Executive on the proposals relating to the remuneration of other executive directors in order to inform any decision.
- In determining an appropriate remuneration package for executive directors and the Chief Executive consult benchmarking data, industry standards and NHSI / E guidance to ensure the right calibre of individuals can be recruited and retained.
- Approve any changes to the standard contract of employment for executive directors and the Chief Executive, including termination arrangements

taking into account any guidance from NHS Improvement’s Code of Governance (E.1.4), or any other relevant guidance as may be applicable

- Consider the removal of an executive director prior to approval by the Board of Directors
- Consider any other employment issues that may arise from time-to-time for executive directors and the Chief Executive.

Performance

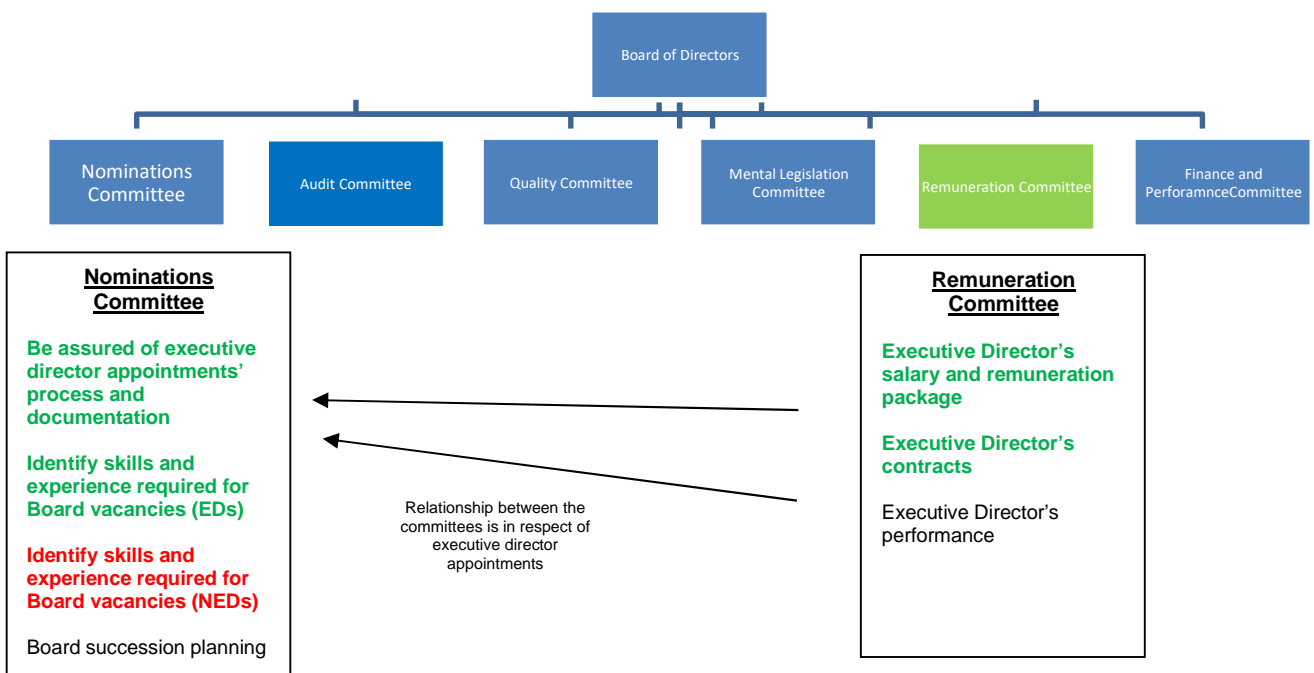
- To monitor and evaluate the performance of the Trust’s Chief Executive and executive directors against objectives for the previous year and note forward objectives
- Make a report on the outcome of the annual appraisals of executive directors to the Board of Directors.

Other

- To undertake any other duties as directed by the Board.

7 RELATIONSHIP WITH OTHER GROUPS AND COMMITTEES

The Remuneration Committee shall have a direct relationship with other Board sub-committees as shown below:



8 DUTIES OF THE CHAIR

The chair of the committee shall be responsible for:

- Agreeing the agenda
- Directing the meeting ensuring it operates in accordance with the Trust's values
- Giving direction to the minute taker
- Ensuring everyone at the meeting has a reasonable chance to contribute to the discussion
- Ensuring discussions are productive, and when they are not productive they are efficiently brought to a conclusion
- Deciding when it is beneficial to vote on a motion or decision
- Checking the minutes
- Ensuring sufficient information is presented to the Board of Directors in respect of the work of the committee
- Ensuring the Chair's report is submitted to the 'parent' committee as soon as possible.
- Agree the statement in the Annual Report in respect of directors' remuneration, (namely the Remuneration Report).

In the event of there being a dispute between any 'groups' in the hierarchy (in the case of this Board sub-committee, this would be between the Board and the Remuneration Committee and, in recognition of the nature of matrix working between the work of all Board sub-committees, the Remuneration Committee and any other Board sub-committee) it will be for the chairs of those groups to ensure there is an agreed process for resolution; that the dispute is reported back to the 'groups' concerned; and that when a resolution is proposed the outcome this is also reported back to the 'groups' concerned for agreement.

9 REVIEW OF THE TERMS OF REFERENCE AND EFFECTIVENESS

The terms of reference shall be reviewed by the committee at least annually, and be presented to the Board of Directors for ratification where there has been a change.

It will be the responsibility of the chair of the committee to ensure that it carries out an assessment of effectiveness periodically, and ensure the outcome is reported to the Board of Directors along with any remedial action to address weaknesses. The chair will also be responsible for ensuring that the actions to address any areas of weakness are completed.

Schedule of deputies

Attendee (by job title)	Deputy (by job title)
Chief Executive	Deputy Chief Executive
Director of People and Organisational Development	No deputy identified
Associate Director for Corporate Governance	Head of Corporate Governance